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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information,
Washington, D. C.

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To Editors of Farm Journals:

The following information is for your use.

DeWitt C. Wing,
Specialist in Information.

WHEAT GROWERS APPROXIMATELY 7 TO 1 FOR CONTINUED PROGRAM

The Agricultural Adjustment Administration has announced that practically complete returns on the wheat referendum held May 25 showed that 86.6 percent of all farmers voting in the referendum favor continuance of crop adjustment for this basic commodity.

Of the total vote of 458,973 reported up to noon May 30 by State Extension Directors, 397,840 farmers had voted for continuance and 61,133 had voted against it. Of the total votes cast, 392,383 were by contract signers and 66,590 were by non-contract signers. Contract signers voted 89 percent in favor of continued adjustment, the latest report showing 349,495 for and 42,888 against. Non-signers also favored the program by a large vote, the percentage being 72.5 percent, as shown by 48,345 for the program and 18,245 against it.

The latest reports show that the 392,383 contract signers voting represent nearly 68 percent of the approximately 579,000 contracts which have been approved. Contract signers under the wheat program control approximately 51,000,000 acres of the total of 66,000,000 acres seeded in the United States during the years 1930-32.

"The results of the wheat referendum are particularly encouraging," Chester C. Davis, administrator of the Agricultural Adjustment Act, said. "The wheat program was the first drafted under the broad principles which were embodied in the Adjustment Act. We feel that the verdict by farmers themselves on this program conclusively demonstrates that the great majority of them believe they are proceeding in the right direction."

The wheat referendum was upon the single question:

"Are you in favor of a wheat production adjustment program to follow the present one which expires with the 1935 crop year?"

It was taken after discussion meetings had been held in all of the 1,763 counties in which the program is operative. At these meetings producers discussed the past, present, and future wheat situation and the general outlines of the proposed new contract. The balloting in the referendum was in charge of the local community wheat association committees.

Other referenda have been held for tobacco, cotton and corn and hogs. The percentage of farmers voting in the tobacco referendum who favored continuance of adjustment was 97.3; the percentage of voters favoring cotton adjustment was 89.4 and the percentage of voting contracting corn-hog farmers favoring adjustment was 69.9.

The wheat referendum constitutes, in the opinion of the Agricultural Adjustment Administration, a mandate to continue adjustment.

"As a result of this mandate from wheat farmers, work is already under way on drafting a new wheat contract to cover the years 1936, 1937, 1938 and 1939." George E. Farrell, director of the Division of Grains, announced. "It is hoped to have the new contract ready to offer to farmers by July 1."

The new contract, which is expected to follow in general the contract now in effect, will cover a four-year period. At the end of any marketing year, however, 25 percent of the producers in any major wheat area, such as the spring wheat area, may, by petition, initiate a national referendum upon the question of continuance. The base acreage and production periods used in the present contract will be continued in the new contract, but it is expected that provisions will be included to adjust certain inequitable allotments which arose during the first program. The maximum acreage reduction which may be asked under the new program is 25 percent of the base acreage. The present contract calls for as much as a 20 percent reduction, but the largest that was asked was 15 percent in 1934. The 25 percent limit is being placed in the present contract as an added margin of safety for production adjustment, if a series of heavy crop years should threaten burdensome surpluses. The local administration of the program will be continued by the local county wheat associations, with somewhat greater responsibility in some phases of administration to be given to the local associations.

The following tabulation shows by States the total vote and the vote by signers and non-signers as reported up to May 30:

State	Total		Contract Signers		Non-Contract Signers	
	Yes	No	Yes	No	Yes	No
Ariz.	70	27	41	8	29	19
Ark.	39	3	39	2	0	1
Calif.	1,603	422	1,356	332	247	90
Colo.	7,513	718	6,440	570	1,073	148
Dela.	442	50	403	26	39	24
Ga.	30	5	10	0	20	5
Idaho	8,861	1,192	8,351	1,020	510	172
Ill.	21,187	2,522	17,780	1,954	3,407	568
Ind.	24,270	5,179	20,585	3,990	3,685	1,189
Iowa	3,008	398	2,806	355	202	43
Kans.	71,881	10,287	65,619	7,549	6,262	2,738
Ky.	3,787	305	3,071	248	716	57
Md.	4,263	664	4,021	474	242	190
Mich.	6,910	3,627	6,443	2,520	467	1,107
Minn.	12,980	2,020	10,629	1,425	2,351	595
Mo.	15,547	3,251	12,159	1,959	3,388	1,292
Mont.	20,563	1,367	18,453	1,092	2,110	275
Neb.	27,866	8,441	22,821	4,881	5,045	3,560
Nev.	213	44	179	32	34	12
N.J.	58	72	57	71	1	1
N.Mex.	1,548	99	1,300	73	248	26
N.Y.	259	205	237	118	22	87
N.Car.	866	99	854	88	12	11
N.Dak.	60,311	2,254	54,770	1,861	5,541	393
Ohio	14,700	5,718	12,326	3,567	2,374	2,151
Okla.	20,108	3,075	18,449	2,214	1,659	861
Oregon	5,347	854	5,271	840	76	14
Pa.	2,487	945	1,753	289	734	656
S.Dak.	24,491	3,743	21,322	2,693	3,169	1,050
Tenn.	1,606	287	1,260	254	346	33
Texas	14,493	735	12,730	502	1,763	233
Utah	4,369	356	3,632	256	737	100
Va.	4,914	769	4,028	484	886	285
Wash.	8,230	651	7,715	567	565	84
W.Va.	470	195	385	135	85	60
Wisc.	614	254	600	249	14	5
Wyo.	1,386	300	1,600	190	286	110
Total	397,840	61,133	349,495	42,833	48,345	13,245

FACTS ABOUT THE WHEAT REFERENDUM

The first national wheat referendum on Saturday, May 25 was the first opportunity which growers have had to register a national decision on wheat adjustment since the original wheat allotment plan was offered to them in the summer of 1933. It was held on the question of whether producers favor a continuation of a wheat adjustment program.

The voting took place between 9 a.m. and 8 p.m. and was conducted under the administration of 1,328 county wheat production control associations, whose members and officials are composed of farmers cooperating in the wheat adjustment program. In each county, community polling places were designated and the referendum in each community was conducted by the community committees under the direction of the county wheat associations.

The referendum was open to all wheat growers who are signers of wheat adjustment contracts or who are eligible to sign contracts by reason of their operating a farm on which wheat was grown in any of the years 1928 to 1932, inclusive. The votes of signers and non-signers has been tabulated separately.

Accurate figures on the total number of wheat growers eligible to vote are not available, but the records of the Adjustment Administration show that approximately 575,000 contracts have been approved and that these contracts represent 78 percent of the total average wheat acreage planted in the United States during the base years of the wheat program, 1928-1932. The vote of the cooperating growers, therefore, represents the opinion of farmers who produce the major portion of the country's crop.

Although the wheat program is in effect in 37 States, farmers in 10 of these States planted more than 77 percent of the wheat acreage in the base period. These 10 leading States and the percentage of the national acreage for which they accounted in the base period are:

State	Percent of National Acreage
Kansas	20.5
North Dakota	15.7
Oklahoma	6.9
Montana	6.7
Texas	6.6
South Dakota	5.9
Nebraska	5.6
Washington	3.7
Illinois	3.0
Colorado	2.7

In these 10 States wheat producers have signed about 410,000 contracts. The base acreage of 44,000,000 acres under these contracts represents 67 percent of the total average acreage of 66,000,000 acres sown to wheat in the United States during the base period. The acreage under contract in these States is approximately 86 percent of all wheat acreage under contract.

In addition to the 10 States named, there are 9 other States, each of which in the base period planted 1 percent or more of the national wheat acreage. The States in this secondary group are: Ohio, Indiana, Missouri, Minnesota, Idaho, Oregon, Pennsylvania, Michigan and California. The acreage planted to wheat by farmers in these States and the leading 10 States represented 93.6 percent of the total base wheat acreage of the United States.

The wheat referendum was by secret ballot. Each farmer had one vote, even though he is a signer of contracts covering several farms. Voting in the referendum did not obligate the producer in any way regarding the signing of future contracts. Any producer could vote, whether or not he intended to sign a new contract. Where producers were absent from their community on the day of the referendum, arrangements were made for voting by mail. None of these ballots, however, was to be counted until the polls closed Saturday.

The referendum procedure was similar to that in ordinary township elections. Each community committee was furnished by its county committee with a register of farmers who are contract signers and eligible to vote in the referendum. Non-signers who went to the polls and established their eligibility to vote were given ballots.

In order that wheat farmers be informed before casting their ballots, discussion meetings were conducted by farmers themselves in virtually every wheat community during the last three weeks. These meetings were open to all producers and all phases of the present and future wheat situation were up for discussion. One of the most frequent questions raised by farmers at these meetings was that of wheat imports into the United States.

In connection with this question, wheat officials have pointed out that from July 1, 1934, to the end of March, 1935, the total imports of wheat for domestic use were 10,968,418 bushels. These imports represent 1.27 percent of the national average wheat production and are only 3.65 percent of the loss in wheat production caused by the 1934 drought.

In addition to these imports for use in this country, there were imported 8,086,367 bushels under bond for milling and re-export, making a total of 19,054,785 bushels entering the country during this period. During the same time, wheat and flour exports have totaled 17,631,776 bushels. Of the wheat imported for domestic use, 5,573,063 bushels was wheat unfit for human consumption. It was imported for livestock feed to meet drought-caused shortages. Of the 5,395,355 bushels of wheat which was imported for human consumption, most of it was durum wheat, for the use of macaroni manufacturers, who needed this type of wheat as a result of the extreme shortage of this crop in 1934 because of the drought. All this wheat imported for domestic use paid tariff duties, as provided in the tariff act of 1930.

A second question which farmers have raised frequently is that of the second 1934 adjustment payment and the rate of adjustment payments for 1935. The Secretary of Agriculture last summer, in announcing the first 1934 adjustment payments of 20 cents a bushel on each farmer's allotment, also announced that the second 1934 adjustment payment would be not less than 9 cents a bushel on each farmer's allotment, minus a deduction for county administrative costs. This is a definite commitment by the Secretary of Agriculture and will be carried out.

The amount of adjustment payments for 1935 is to be announced by the Secretary of Agriculture before the beginning of the marketing year, which is July 9. This practice has been followed during the last two years and

the announcement this year will be made at the usual time. This 1935 adjustment payment is to be paid to farmers under the terms of their present contracts. It has no connection with the referendum, nor with the outcome of the vote in the referendum.

The wheat adjustment payments are made to cooperating producers on their allotments, in order to give to the amount of the crop which is consumed in this country a buying power equal to the buying power of wheat in the prewar period. Adjustment payments to producers up to May 22, as reported by the wheat section, totaled \$93,082,814 on the 1933 crop and \$67,326,892 on the 1934 crop. Approximately \$30,000,000 remains to be paid as the second adjustment payment for 1934 which will become due upon presentation of the 1935 certificates of compliance.

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BILLION POUNDS OF MEAT CONSERVED FOR RELIEF

Records of the Commodities Purchase section of the Agricultural Adjustment Administration show that nearly a billion pounds of meat were made available to those on relief rolls through the Government's emergency purchases of cattle, hogs, sheep and goats.

The conservation purchases were made by the Agricultural Adjustment Administration and the animals turned over to the Federal Surplus Relief Corporation for processing and distribution to families on relief rolls. About half of the cattle and sheep purchased were processed by relief labor under the supervision of State Emergency Relief Administrations.

About 790,000,000 pounds of beef and mutton were conserved through the emergency cattle and sheep purchase program, and approximately 104,000,000 pounds of pork and lard resulted from the emergency sow and pig purchase program.

Storage supplies of meat held by the Federal Surplus Relief Corporation on May 1 included 115,224,187 pounds of beef, 7,977,402 pounds of veal, and 5,572,183 pounds of mutton, a total of more than 128,000,000 pounds. In addition to this, it is estimated that State Emergency Relief Administrations still have in storage an equal amount, making a total of more than 250,000,000 pounds of meat still available for distribution to those on relief. All of the pork products obtained through the hog purchase program have been distributed.

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COTTON GROWERS GET FIRST PAYMENTS IN 1935 PROGRAM

First rental payment checks to farmers taking part in the 1935 cotton production adjustment program are moving out much faster than in 1934. The cotton checks are dated three days in advance of the day they are normally

mailed from Washington. Through May 20, 319,999 checks representing payments totaling \$10,925,495 had been prepared for mailing. As of the comparable date a year ago, only 117,109 checks totaling \$4,739,857 had been prepared for mailing.

"Our experience in conducting the cotton program is paying dividends in the form of smoother and faster operations and better results generally," Cully A. Cobb, Director of the Division of Cotton, said. "Cotton farmers are better acquainted with the provisions of the contract and other details. Consequently, we are able to save much time in the field and in Washington."

The rental payment on each of the acres rented under the program is 3-1/2 cents a pound on the average yield of lint cotton per acre, with a maximum rental of \$18 an acre. In 1934, with the rental payment at the same rate, the average rental payment per acre under contract was \$6.12 an acre. The rental payment is made in two installments, one of which is going out now. The second installment will be paid in the fall after compliance with the contract is proved. A parity payment of 1-1/4 cents a pound will be made on the farm allotment for each farm under contract. The farm allotment is approximately 40 percent of the adjusted average production. The rental and parity payments for the entire 1935 cotton program are expected to total approximately \$125,000,000.

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SOUTHEAST BUYING IN THE NORTHEAST

Not only farmers and their families but also business firms of the agricultural Southeast are buying increased quantities of manufactured commodities from the industrial Northeast as a result of the increased income of cotton and tobacco growers, according to a study made by the Agricultural Adjustment Administration.

The study shows that cash income of farmers in 10 Southeastern States increased 59.9 percent in the first year in which the agricultural adjustment program and other new measures aimed at recovery were effective and that 16 Northeastern industrial States shipped to the Southeast approximately 43.4 percent more of the industrial commodities used in industry and commerce in Southeastern States.

Statistical information on which the study is based was obtained through an examination of waybills of carlot shipments of goods into the Southeast over the Southern Railway System, the Central of Georgia Railroad, the Louisville and Nashville Railroad, and the Illinois Central Railroad. The carlot shipments represented by the waybills examined represent more than 95 percent of the total weight of all shipments made to the Southeast.

Two successive periods of one year each were covered by the study of waybills. The first year, beginning July 1, 1932, and ending June 30, 1933, preceded the actual launching of the recovery programs. The second year, beginning July 1, 1933, and ending June 30, 1934, covered a period

when the results of the agricultural adjustment program and other recovery measures had begun to be felt.

For the year ending June 30, 1933, the northeastern industrial States shipped only 827,180,499 pounds of commodities for use in industry and commerce of the Southeast. In the next year ending June 30, 1934, the Northeast shipped to the Southeast a total of 1,185,937,766 pounds of products used in Southeastern industry and commerce. This represented an increase of 43.4 percent. During the same periods, cash farm income from crops and benefit payments to southeastern farmers cooperating in agricultural adjustment programs increased from \$451,637,000 to \$722,017,000.

Shipments into the Southeast show that the most important commodity in the industrial and commercial group was steel and iron, which increased from 195,340,434 pounds to 416,063,259 pounds, or 113 percent. Next in importance was commercial and industrial machinery, which increased by 41.1 percent, from 52,949,819 pounds to 74,705,580 pounds. Electrical machinery increased by 275.6 percent, from 1,230,464 pounds to 4,621,024 pounds, and refrigerating machinery and equipment increased by 101 percent, from 4,772,933 pounds to 9,595,151 pounds. Road machinery increased by 31.8 percent. Machine parts increased by 94.0 percent, from 2,738,818 pounds to 5,314,287 pounds.

Boilers and parts increased from 4,692,794 pounds to 10,002,323 pounds, or 113.1 percent. Miscellaneous engines increased from 9,920,823 pounds to 15,151,370 pounds, or 52.7 percent. Tools and equipment increased from 1,795,998 pounds to 3,708,253 pounds, or 106.5 percent, while contractors' equipment increased from 5,384,172 to 5,843,646 pounds, or 8.5 percent. Cables increased by 117.4 percent, elevators by 912.2 percent, scales and parts by 161.8 percent, and air filters and blowers by 199.7 percent.

Of commercial equipment, the most important item, metal furniture, increased from 513,580 pounds to 1,179,474 pounds, or 129.7 percent. Mechanical stokers increased by 221.1 percent, from 391,124 pounds to 1,255,753 pounds. Theater chairs increased by 36.8 percent, from 122,884 pounds to 168,110 pounds. Hose increased by 367 percent, from 61,982 pounds to 289,466 pounds. Cafe equipment, counters, fire apparatus, and switchboards all showed striking increases, but canvas baskets decreased.

Statistics on industrial materials and supplies show 23 items increasing and only 3 decreasing. Those which increased were: abrasives, animal hair, felt and carpeting, cloth, clothing loops, cork, cotton, cotton factory supplies, glue and sizing, graphite, hides and pelts, malt and malt syrup, fish and animal oils, tanners' extracts and oils, miscellaneous vegetable oils, ore, rayon, sea moss, sponge, waste and sweepings, tallow, yarn and thread, and tobacco. Those which decreased were bagging and burlap, fiber, and bottle caps.

Building and construction materials for the most part show increases, though the largest item, cement and concrete, decreased by 6.4 percent, from 169,983,325 pounds to 159,183,279 pounds. Shipments of cement were heavy during April, May and June of 1933. Later, early in 1934, cement plants in the South which had been closed down resumed operations.

Asphalt and products, including paving blocks and roofing, increased by 20.5 percent, from 115,605,033 pounds to 139,263,584 pounds. Bricks increased by 72 percent, from 14,613,092 pounds to 25,138,171 pounds. Lumber and products, which totaled 21,119,657 pounds, increased by 18.7 percent to 24,983,807 pounds. Plaster, lime, sand and building stone and marble increased, but shingles, tar and pitch decreased.

Other commodities used in building which showed increases were asbestos, 58.5 percent, and insulation, 101.1 percent.

Of non-ferrous metals and metal goods, zinc made the best showing, increasing by 277.3 percent, from 726,054 pounds to 2,739,715. Copper and brass goods increased by 49.5 percent, from 5,840,497 pounds to 8,731,422 pounds. Aluminum, on the other hand, decreased by 9.2 percent and lead, including lead pipe, was down by 15.9 percent.

The 10 states in which the industrial commodities were delivered were Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky and West Virginia.

The 16 states from which these industrial commodities were shipped were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Michigan, Indiana, Illinois and Wisconsin.

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BUTTER AGREEMENTS WITH STATES STUDIED BY AAA

Immediate activity on the part of the Agricultural Adjustment Administration under such regional butter marketing agreements as are proposed in the Pacific Coast area will be limited to States which have requested Federal regulation of interstate movements of butter and cream and which have already adopted or will soon adopt some form of State regulation for these products.

The Administration has informed interested parties in the areas where recent hearings were held that in order to complete such regional butter agreements in the States that are prepared to take immediate action it will be advisable and in some cases necessary to perfect common rules and regulations affecting the interstate movement of butter and butterfat in conformity with the powers and within the jurisdiction of the Federal government. To that end, conferences with State authorities and members of the industry will be held.

It was also made clear that no immediate action would be taken on a proposed agreement with the Secretary of Agriculture under the Agricultural Adjustment Act unless the record of hearing indicates that a majority of the members of the industry favor such action at this time. This postponement of immediate action relates to agreements in the States of Montana, Washington, Wyoming, Colorado, Utah, Arizona and New Mexico. However, in these areas studies of the problems involved will be continued looking toward the working out, in cooperation with the industry in these States, of plans acceptable to the industry and practical for adoption in the form of a Federal regional butter agreement.

The Administration stated that the butter industry in Oregon desires a Federal butter marketing agreement to make applicable to interstate transactions in butter and butterfat certain provisions and regulations now provided within the State by the Oregon State marketing agreement.

Idaho, it is pointed out, has a State Agricultural Adjustment Act which permits State agreements, and California has similar legislation pending. Marketing practices in Oregon, California, and Nevada are similar in some respects and the Adjustment Administration is prepared to hold further conferences in these States looking toward necessary adjustments in State regulations to correspond with regulations in adjoining States.

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FORT WORTH AREA GETS AMENDED MILK LICENSE

Several amendments to the provisions of the milk license for Fort Worth, Texas, including the elimination of minimum resale prices and the introduction of a basic-surplus market plan of payment to producers, and adjustments in the classified prices payable to producers to meet practical conditions now existent on the market, have been completed by the Agricultural Adjustment Administration.

The amended license, requested by producers and other agencies on the market, was signed May 21 by Acting Secretary of Agriculture Rexford G. Tugwell and became effective May 22. It provides that the market administrator shall allot established bases to each producer qualified to ship milk to Fort Worth, the bases to be equitably established on the basis of the past production of producers, and the total of all bases to be equal, as far as practical, to the total amount of milk sold or used by dealers in Classes 1 and 2. The market administrator may also revise such bases from time to time when advisable so as to maintain equitable relations between producers. The basic-surplus market plan replaces a straight pool plan.

Some adjustment downward in the class prices payable to producers was deemed necessary, owing to plentiful rains which tend to increase deliveries of milk. The original Class 1 price, defined in the license during a severe drought period, was \$2.60 per 100 pounds of 4 percent milk. According to the amended license, the Class 1 price will be \$1.86 per 100 pounds, which is a minimum price, leaving dealers free to pay producers premiums above that amount without violation of the license. The Class 2 price named in the amended license is \$1.60 per 100 pounds instead of \$1.90, as before. For Class 3 milk, producers will receive a minimum price of four times the average price per pound of 90 score centralized carlot butter at Chicago, instead of using that formula plus 5 cents additional per hundredweight.

Aiming at the use of a differential for butterfat in milk above or below the standard 4 percent test, which would guarantee a fair return for butterfat midway between butter value and fluid milk value, the license has been amended to provide 3 cents differential per one-tenth of 1 percent in the test instead of 4 cents, as before.

Minimum resale price schedules formerly carried in the Fort Worth license have been omitted entirely.

Deductions of only 2 cents a hundredweight from payments to producers to meet the cost of administration have been found inadequate, hence the amended license, with the support of producers, provides for a deduction of 3 cents a hundredweight of milk to cover the supervisory work on the market.

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TWO MILK LICENSES AMENDED

The Agricultural Adjustment Administration has completed an amendment to the Kalamazoo, Michigan, milk license which increases the prices to producers for both Class 1 and Class 2 milk. The amendment was requested by the Kalamazoo Milk Producers' Association and recommended by the Market Administrator based on conditions in the area. The amendment becomes effective June 1.

The amendment advances the Class 1 price from \$1.85 per 100 pounds of 3.5 percent milk to \$2, or from about 3.9 cents to 4.3 cents a quart, and also slightly advances the return to producers for milk used as Class 2 or for cream purposes, from a premium of 35 cents over 3.5 times the average Chicago wholesale 92 score butter quotation, to 40 cents premium over that figure.

The advance to producers is believed advisable because of relatively stable production conditions in the area, better consuming demand based on more normal employment conditions, and because the new schedules are in line with price levels of competitive manufactured dairy products. The distributors have been paying producers the \$2 price for Class 1 milk since March 1, 1935, although the license itself defined a minimum price of \$1.85, and are agreeable to continue such rate of payment.

* * *

An amendment to the existing milk license for the sales area of Wichita, Kansas, will become effective June 1. The only change, as a result of the amendment, is a reduction of the minimum price payable to producers for Class 1 milk from 60 cents to 50 cents a pound of butterfat, or from about 4.9 cents to 4.1 cents a quart on 3.8 percent milk. The new price is deemed advisable because of steadily increasing volume of production with little or no increase in sales of fluid milk for direct consumption as Class 1, making a temporary lowering of the Class 1 price seem practical to the agencies on the market, at least during the period of flush production.

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EVAPORATED MILK AGREEMENT TERMINATED

Upon recommendation of the Agricultural Adjustment Administration, Acting Secretary of Agriculture Rexford G. Tugwell signed an order May 18 terminating the evaporated milk marketing agreement effective May 31, 1935.

This agreement was instituted by the Agricultural Adjustment Administration in September, 1933, at the request of a majority of the manufacturers. It was drawn for the purpose of correcting a chaotic condition within the industry. The original agreement remained in effect unchanged until early in 1935, when certain adjustments in the resale schedule on case goods were made at the request of the manufacturers. No change has been made in the schedule or formula on which producers' minimum prices for milk are based.

Negotiations in behalf of a modified agreement which would include a license, have been underway since early in 1935. This modified document has been in the hands of the industry since March, 1935, and approximately 50 percent of the manufacturers, who handle more than three-fourths of the volume of the evaporated milk produced, have indicated their approval of the principles involved in the revised agreement. However, some manufacturers signed the proposed amended agreement on which a license would be based only after they had added certain new specific clauses modifying the agreement as it has been tentatively approved by the Secretary. Some of these provisos, inserted by the minority of the manufacturers, are not in line with the position or policy of the Administration or are not deemed essential to the completion of an agreement. Therefore it was decided to recommend termination of the present agreement at this time, rather than extend it another month, as several extensions of time to secure proper endorsement by the industry have already been granted without result.

The Adjustment Administration is hopeful that definite decision on a new agreement will be reached as a result of a meeting of evaporated milk manufacturers in Chicago. Without the approval of a majority of the manufacturers for an agreement, the Adjustment Administration does not regard it as desirable to institute such an agreement, accompanied by a license, to replace the terminated instrument.

Comparative stability has been general in the industry throughout the life of the agreement. For that reason, producers favor its continuance as a means of protecting them from possible recurrence of disorganized and unsatisfactory conditions that existed before the agreement was established in 1933.

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RICE ACREAGE ALLOTMENTS INCREASED BY RULING

Secretary of Agriculture Henry A. Wallace has approved amendments to two administrative rulings which increase rice acreage allotments and production quotas for three Southern states and for California, the Agricultural Adjustment Administration has announced.

As a result of the amendments, the combined authorized rice acreage of Arkansas, Louisiana and Texas becomes 663,315 acres instead of 642,000. The quota for the three states now is 7,898,766 barrels instead of 7,743,888 barrels. For California the acreage allotment is raised from 94,296 to 97,125. The production quota is raised from 2,708,810 hundredweight to 2,767,986 hundredweight.

Individual figures for the three southern states are:

	ALLOTMENT (acres)		QUOTA (barrels)	
	Former	Amended	Former	Amended
Arkansas	135,000	139,050	1,834,722	1,871,416
Louisiana	364,500	377,790	3,898,333	3,976,300
Texas	142,500	146,775	2,010,833	2,051,050

The revisions were made after a thorough review of all available data on average and production, including substantiated data on applications for production adjustments contracts for rice.

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MARKET AGREEMENT FOR MELONS PROPOSED

A public hearing on a proposed marketing agreement for shippers and growers of Colorado melons will be held at Ordway, Colo., on May 29, the Agricultural Adjustment Administration has announced. As proposed by members of the industry located in the Arkansas Valley, the chief melon-producing area in the state, the agreement contemplates improving returns to growers by improving the quality of melons shipped.

The proposed agreement would apply to all types of melons, including honeydews, honeyballs and cantaloupes. Most of the melons are shipped on a consignment basis. Growers report that many lots of melons shipped during a season sell for less than the fixed charges of handling and freight and that under pooling practices losses on such shipments are frequently deducted by the shipper from the proceeds of other shipments. The suggested agreement is based on the belief that by limiting shipments of melons of poorer quality, which usually are those selling at a figure below the fixed charges, net returns to growers will be increased.

The proposed agreement provides for a control committee of 7 members, 4 to be selected by growers and 3 by shippers. This committee would administer a rule prohibiting shipment of immature melons. It also would have the power to limit shipments to melons of specified grades and sizes.

Testimony at the hearing is expected to bring out data on prices and marketing conditions. Also it would provide a basis for determining whether an agreement would solve some of the problems of the Colorado melon industry, and if so what sections of the State should be included in the agreement.

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CALIFORNIA RAISIN AGREEMENT AMENDMENTS APPROVED

Amendments to the marketing agreement and license for packers of California raisins have been approved by Acting Secretary of Agriculture Rexford G. Tugwell, the Agricultural Adjustment Administration has announced. These amendments are designed to prevent packers from purchasing growers' equities in the reserve tonnage of raisins and to provide for the election of alternates to the control board which administers the agreement.

The amendments in their present form have been approved by packers who shipped 66.4 percent of the tonnage handled by contracting packers in the year June 1, 1933 to May 31, 1934. The amendments will become effective at 12:01 a.m. on May 22, 1935.

Under the marketing agreement and license, a fixed percentage of the raisins delivered by growers to packers is turned over to the control board to be subsequently disposed of for the account of the grower. Under the agreement it has been possible for packers to purchase growers' equities at prices which may not be in line with final returns from the reserve tonnage. The industry and the Administration are of the opinion that the amendment, by prohibiting the purchase of equities, will eliminate possibilities of inequities among growers and among packers. The growers however may assign their interest in the reserve tonnage as security for loans.

The amendment providing for the selection of alternate members on the control board will assure representation at each meeting in proportion to that provided for in the agreement and will also prevent incurring the expense of meetings without having a quorum present.

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HEARINGS ON PROPOSED LICENSE FOR WOOL AND MOHAIR

A proposed license for dealers in wool and mohair, which would become effective Jan. 1, 1936, will be the subject of a series of public hearings beginning July 2, the Agricultural Adjustment Administration has announced. The license would be designed solely for supervising trade practices and selling charges.

In addition to scattered local buyers, there are about 275 wool dealers in the country. According to trade estimates, twelve to fifteen of them handle 85 percent of the business. The trade centers in Boston.

The license as proposed would provide for an advisory committee made up of five grower-members elected by production districts and four dealer-members chosen at a general election. It would be administered by an official appointed by the Secretary of Agriculture. Administration costs would be borne by the Adjustment Administration.

Twelve trade practices involving transactions between dealers or between growers and dealers would be listed as unfair. Two are of particular

interest to growers. The first is the sale of growers' wool or mohair on commission by any member of the trade who also buys or sells wool on his own account. The second is deducting an arbitrary flat discount for "tags" or other off-sort wool or mohair without reference to the actual condition of the lot being sold. Listing this practice as unfair would prohibit making the same deduction for lots with no off-sort wool as for lots with a huge percentage of off-sort.

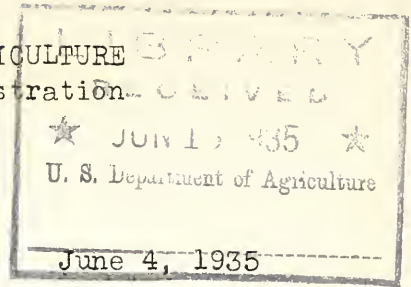
A provision of the proposed license would require each licensee to confine transactions in wool and mohair either to consignment or to outright purchase and sale. This, and other provisions of the proposed license, would relate only to wool or mohair acquired on or after January 1, 1936. Commitments for wool or mohair made before that date would not be affected.

The schedule of hearings follows: July 2 and 3, Boston; July 8 and 9, Denver; July 11 and 12, Billings, Mont.; July 15 and 16, Portland, Ore.; July 18 and 19, San Francisco; July 23 and 24, Salt Lake City; July 29 and 30, San Angelo, Tex.; Aug. 1 and 2, Kansas City, Mo.; and August 5 and 6, Columbus, Ohio.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Washington, D. C.



TO EDITORS OF FARM JOURNALS:

No. 77 of the information service prepared for editors of farm journals sent to you yesterday was through an error in mimeographing, misdated "April 1, 1935". The date should have been June 1, 1935.

Very truly yours,

A handwritten signature in cursive script, reading "DeWitt C. Wing".

DeWitt C. Wing
Specialist in Information

